

upon securities was first fixed at 40,000,000 rupees, which was advanced by successive stages of 20,000,000 rupees in 1882, 1890, 1896, and 1905, until it stood on the last date at 120,000,000 rupees (\$38,800,000).¹ The new notes were to be issued through "circles of issue" which were at first established only at Calcutta, Madras, and Bombay, but were from time to time increased in number. The minimum denomination, first fixed at ten rupees, was reduced in 1871 to five rupees. The notes are legal tender within their circle of issue and are redeemable in rupees. By an act of 1898 the issue of currency notes on the security of gold deposited in England was authorized up to July 21, 1900. This act was afterwards extended and in 1902 was made permanent. The average circulation of paper currency for the five years ending March 31, 1896, was 282,440,000 rupees; for the five years ending with 1901, 265,390,000 rupees; for the five years ending with 1906, 361,800,000 rupees. The average for the year 1905 alone was 392,000,000 rupees; for 1906, 415,200,000; for 1907, 451,400,000; and for the eleven months ending with February^r, 1908, 473,600,000 rupees. A considerable proportion of these notes is held in Treasury offices and bank reserves. Making allowance for these, the average in the hands of the public was for 1905, 306,900,000 rupees; for 1906, 328,300,000; for 1907, 359,200,000; and for the eleven months ending February 28, 1908, 366,100,000 rupees (\$19,300,000). The maximum of the last named year was 381,400,000 and the minimum 351,700,000 rupees. Redemptions, including those accomplished by the transfer of notes between Treasury branches, are much more rapid than for the paper money of the United States, having reached

¹ Chalmers gives the credit of the original act of 1861 to James Wilson, then Financial Secretary to the Government of India, and says that it was mainly based on the Imperial Bank Acts, 1844-45, though adapted to the conditions of British India by making a government department the representative of the "Issue Department" of the Bank of England.—History of Currency in the British Colonies, 346.

⁹ *Commercial and Financial Statistics of British India*, 1907, 267.